

COLE BLEASE GRAHAM [CBG]: This is Tape 12, Side 1, an interview with Governor Robert E. McNair as a part of the McNair Oral History Project of the South Carolina Department of Archives and History. Today's date is November 15, 1982. Governor, when you began this new term, it was perhaps the highpoint of the Great Society. How did you find South Carolina's role in the national system? More specifically what was the general impact of this new flow of federal dollars on the state?

ROBERT E. McNAIR [REM]: Well, you know, we were coming through that political period when we really sort of isolated ourselves in the South, both as a region and as states. We took the position that we didn't want federal involvement in state government. So we resisted federal support for education and other activities on the theory that support brought control. I think we were in sort of an evolving turning point on that issue to where we were becoming more a part of the whole national system again politically and governmentally. I came at a time when we were reaching the conclusion that we not only should but we needed all of the help and all of the support we could get, and we sort of stepped out front. We were going after the federal dollar. We were going to utilize it to help build and develop South Carolina.

CBG: Was this fear of control more of a political experience in your opinion or was it really a bureaucratic one? In other words, did the state agencies have a fear of the federals being more professional or was it . . .

REM: (chuckles) I think then, you know, there was the fear of the bureaucracy, certainly, because nobody wanted anybody invading their little domain. They had built it up, built it up around them, and they could see sort of a nationalization of programs and thus a tearing down of the wall around them as far as control of it was concerned. It was also a part of

that same old bugging political problem, civil rights. I think that was at the foundation of so much of the resistance to federal programs and federal control.

Most of it stemmed around education, federal support for education meant federal control of education. That was part of it. Everybody had different reasons, I suppose, but at the bottom line, that was it: "We don't want federal involvement or federal control or federal interference in what we're doing and how we are doing it." As you pointed out, the Great Society period was then coming out when there was so many social programs and all. So many of the states really didn't participate fully in them, didn't really like them, didn't believe in them. We came into that and all the food stamp programs and food distribution programs and the opening up of the welfare program from, you know, from welfare to social, in nature and in fact.

CBG: What changed the politics? How were people able to support this change in a way that the state hadn't been able to, maybe in its entire history?

REM: Well, I think it was also a transition period in people and people thinking. There were younger members coming along in the General Assembly, more progressive, with new ideas, wanting to do more, wanting to accomplish more, recognizing that we had to really, as we've said, lift ourselves up by the bootstraps literally and get on with trying to build South Carolina. To do that we needed all the resources we could garner and all we could marshal from wherever it came from. It wasn't difficult to change the attitude from total resistance to, you know, "This money's out there. It's ours. We've all contributed to it. Others are taking advantage of it. Why shouldn't we?"

I think, too, that this was the beginning of a different attitude on the part of the federal government to this partnership relationship that was beginning to build up. "Here's some monies to help you plan and develop programs and try to look out long-range," and then supposedly you built all of the resources, from the federal down to the local level, into that overall plan. That was a very enticing thing to many of us. The states had never really had an opportunity to do that before. Government had had very little opportunity to engage in any kind of planning effort really.

CBG: Do you think that general policy reflects the influence of President [Lyndon] Johnson at the national level?

REM: I think so. I think he worked real hard. You recall, he brought in a former governor to serve right up at the top staff level, directly from him to the governors. Buford Ellington was probably one of the most popular, likable, respected governors that all of us had served with, and he really worked at building a relationship between the federal government and the state governments. That continued on throughout President Johnson's on into [Richard] Nixon's time, really, with Governor [Spiro] Agnew, who went up to serve in that role originally. But, yes, I think his attitude really was to develop a cooperative effort, a partnership, and although there was a lot of suspicion about it, I think the dollar was so important and the need was so great until people were gradually brought into the fold of the federal-state partnership, federal-state relationship. He made it clear and followed through that we would utilize these funds under the various programs and control them at the state level.

CBG: What administrative changes did you find yourself needing to make with all of these new dollars available?

REM: Well, now, probably, that's the one time when you (chuckles) wished South Carolina operated like Georgia and some of the others, that is, where the governor could come in and clean house or sweep out and build back again and really have total appointive powers. At the same time, you found the overlapping, the fragmentation, the lack of coordination, and the lack of cooperation, which really were the things that shouldn't been there in the first place. All of those things just surfaced very quickly. When you would try to take a federal program to go out and attack a certain need in the state, it soon became apparent that there were about a dozen state agencies that were working in that area, all going their separate ways, all with their own programs and no effort to coordinate or to cooperate really at all. So we found immediately that there was a great need to do things at the state level, to pull all of those people together and all of those resources together in order to be able to do any kind of planning.

CBG: What form did these organizations take? Was there a coordinating body?

REM: Well, you know, with the way we're set up--and I don't fault it even though sometimes you'd like to see, perhaps, some changes in it. I think historically it's served us well, with the boards and commission form of government. It provided more stability, more continuity in government because the boards are appointed by the governor. Some are elected by the General Assembly. I think all of them, really, should be appointed by the governor. Historically, they were on staggered terms so that no governor could change the whole direction and complexion of what was going on. The directors of the programs were employed by boards. That put some pressure on you and created some real difficult problems, personality problems, as well as basic problems to get around.

So what I did was begin to work not only with the heads of these agencies but with the chairmen of the boards. I found that there is where you really could have some influence immediately, and you could sometimes get things started a lot faster if you pulled in the board chairman and even the full board on occasion to get their support and enlist their involvement in what was going on. There was your policy-making group. When you ran into a difficult director, who was just so set in his ways, sometimes through the board you could persuade him to be more cooperative. So we started by pulling together what we called interagency councils of related agencies, both in broad groups, for example health and welfare, which included the Vocational Rehabilitation programs and all of those, and then under that, specific groups from various agencies to deal with a specific problem.

CBG: Did you try to follow the federal cabinet outline?

REM: We really did not. We had looked at that. That was during the period when states, because of all of this change that was taking place, had gone into restructuring and reorganization of state government. That was a tremendous thing then, the reorganization. So many reorganized into the cabinet structure.

CBG: I guess Governor [Nelson] Rockefeller led that.

REM: Governor Rockefeller led the move on that. Warren Knowles from Wisconsin--whom most people have really forgotten--was a fore-runner in reorganizing the state of Wisconsin and going to a cabinet level. But what most of them did was just superimpose another layer on top of another layer. They really never got into the basics of it, down at the bottom level, pulling those groups together. So they ran into even more frustrating problems than those of us who took the other direction. I can recall appearing on a couple of panels with Warren Knowles and having him

acknowledge that that really didn't work, not the way they had approached it. North Carolina tried it, as you recall, and ended up with a superstructure that really was ineffective when it came to trying to make government work.

Having watched all of these various things, we opted for what we thought was sort of an in-between, the interagency councils. Most of them were set up in a formalized fashion either by executive order or by just executive action, pulling together these people and pulling in, as I said, the board chairmen to sit in on these meetings and to be involved in it.

CBG: As you drew up your order, did you give these councils an agenda, in other words, some specific things toward which they should work?

REM: Yes, we did. We had some staffing for those, and that's where we borrowed people from outside, or sometimes we'd find somebody inside whom we felt could play that role. They would become the key person in all of it, and in most of them we would designate one of the departments or agencies as the coordinating agency. Thus, sometimes, somebody there, either the director or some unusually good person, would end up as the coordinator.

CBG: Yes.

REM: We found that worked quite often. It depended on what you were trying to do and who you were working with.

CBG: Going back to the boards for just a second, did you find that the policy of board members being scattered across the state, either by judicial circuit or congressional district, a help, or did that spread the board so thin that they really couldn't control a professional bureaucrat here in Columbia?

REM: Well, yes, it had both. It also had some good sides to it, and one of those is just what you said. It didn't exercise control, and that

wasn't the purpose of the boards. You've seen some areas where the chairman really became the director of the program and created all kinds of problems. So it served a good purpose. The reason behind it, of course, was to have representation from all parts of the state in order to be sure that everybody benefited from that program. So it had its good effects, too, but I don't think it necessarily was a deterrent to getting things done. The key to it was having a good chairman, and that was something I focused in on fairly early, too, was to take a look at these boards and commissions and try to bolster them and strengthen them, try to get people on them whom I felt would not be just a political appointment, but to get somebody who would take an interest or who had a reason or some background to serve on a board or commission and then to find a good chairman, to find some chairman who would devote some time and effort and who would exercise some policy-making authority. In the past, the boards were sort of dormant and had really been dominated by the director himself, rather than the boards serving in a policy-making role.

CBG: In this vacuum could even the well-intentioned professional bureaucrat perhaps grow a little stale and not keep current with the field?

REM: Yes, we found that. We found we had people who had grown that way, who had almost gotten to the point that, "This is my program, and I'm going to run it the way I want to run it, not necessarily the way the state wants it run." Again, federal funds really were helpful there because where you had control of those funds and of directing where they went and how they were to be utilized, you had great influence over some of those kinds of people who were resistant to any change or resistant to any influence from any outside source.

CBG: How did our own professionals react to the technical assistance available from the federals?

REM: Generally and almost overwhelmingly well. I was very pleased with them. I think we developed an excellent relationship. It really brought people together who hadn't done it before, and I was tremendously pleased and impressed with their willingness to work together and with their willingness to accept help. I think they did it remarkably well.

CBG: In exercising control as governor--realizing that the informal controls may be more important than the formal--what were the politics of this designation of a state agent to administer federal funds? Didn't the rules and regulations require a specific operating party in the state, which could be an agency or the Governor's Office.

REM: Yes, you could have designated the Governor's Office. We talked about it, debated it, and thought about it for a long time and concluded that, in most instances, it would be a lot better if we used the interagency group and designated one of those agencies with the understanding and with everything protected that the council would devise the plan and that would determine where the monies went and how they were allocated. We found that that worked a lot better. Again, other states created divisions of administration within the Governor's Office, and they grew into monstrous operations themselves. State agencies and state departments began fighting with them, so you really just got another layer of government, and you peeled off more of the monies that were kept away from doing the things you intended to be done. I had a normal, natural resistance to that. Although we established some new agencies, I had a normal resistance to building more layers. I wanted to tear down those layers and get more into the program.

CBG: How could you evaluate your designations?

REM: What we did was target and identify those agencies that we felt pretty comfortable with. You know, when we would form an interagency



council in manpower development and training, TEC [Technical Education] was designated as the coordinating state agency. I knew I had Wade Martin who, in my judgment was one of the best things that ever happened to South Carolina, a creative mind who just had a tremendous talent for conceiving approaches to programs, to development, to training, to doing these things. You knew that you had somebody out there who was doing that kind of work, who was in tune with you, that you had no problems communicating with, and you felt totally comfortable with.

We had constant battles with Vocational Education. Although I had been a product of it and grown up with it and had supported it strongly, it was such a built-in operation that resisted any change, any interference, any involvement by anybody. They had become a national department of vocational education, almost independent, autonomous from the schools and the state Superintendent of Education because of the way they had worked to get programs and to get funding. They had tremendous support from the Congress. Therefore, for a lot of programs, they would be designated. That created a problem and we never were able to resolve that problem really.

CBG: Was the debate of these interagency councils concerned about policy decisions, that is, the "what" that was going to be done or more about the "how"?

REM: Well both. We first started out about "what" and then we got into "how." You had problems at both levels because they historically had been able to do both themselves, and it was very difficult to get people thinking broadly, even in the development of policy, and then even more difficult when it got down to the program level and the implementation level.

CBG: What about the impact of these funds and these new programs originating at the state level on city and county governments or district governments, like schools or water?

REM: Well, that again had great impact. The problem you ran into there with the schools was because the funds in this state would basically come to and through the Department of Education, and they would flow out to the various school districts because the state funded education. Some of it went directly to the districts. The progressive district knew where to go and how to get money for special projects and special programs, and that I found not to be too difficult because it was well coordinated at the state level. The department was encouraging that type of activity, and it was getting on with it. When it came to the water and sewer districts in the cities, you had more problems because, you know, the National League of Cities looks on itself as being on the level with the National Governors' Conference. When you got to the Congress, the mayors wanted to be treated like governors, and they wanted total autonomy. They didn't want anything coming through the states, they didn't want the state to have any control with anything that was coming to them. That really grew up because of the big cities, the fight between New York City and New York State, Los Angeles and California, Chicago and Illinois. So your big cities dominated the municipal groups, the National League of Cities. That was something where you really didn't accomplish much. You couldn't get there. The closest thing to ever getting around that was the Appalachian Regional Commission where you could utilize all of the funds for all purposes into a master plan for development. To me, that was the greatest experiment in cooperation among all levels of government that I've seen.

CBG: Did that have a significant role for states, the interstate regional approach?

REM: It did for those that really took advantage of it, the Appalachian, particularly. It started out as a pilot and ended up almost permanent. Unfortunately, only the tip of our state was a part of it, and it was the tip that really didn't need as badly as other parts that kind of help.

CBG: Those six counties.

REM: Those six industrialized counties. On the other hand, they were able to take advantage of it fully because they had the resources at the local level to take advantage, and they served as a model. We were able to do some planning up there and some program development at that level that we would then spread over into the state as a whole. So, although it benefited them tremendously, we got some by-product benefits from it.

CBG: What were the major program concerns in the Appalachian program?

REM: Well, of course, it was conceived for that West Virginia-Pennsylvania mountain area to try to lift the economy of that region. They took it on through the whole Appalachian area. There was just a lot of money there to do things in education and health care and transportation. I think basically transportation was one of the top priorities because there was no access to so many of those regions, and to get jobs they had to have roads. The states couldn't afford to build them because the cost was so high, so transportation was one of the high priorities and, I think, one of the original reasons behind it. Then, too, education and health care hadn't even reached many of the areas in the Appalachian region.

CBG: When you speak of transportation and human services development, it reminds me of policy debates in South Carolina before World War II between various groups advocating schools or the building of roads or other parts of an economic infrastructure. It leads to this question. At that time, were you operating under a general concept of economic development?

REM: We were beginning to develop one. It was in a sort of conceptual stage, and we were developing as we were going, and finding out that you really couldn't just assault transportation as a problem or you couldn't just deal with education or health care. It was all so interrelated, and the need was broad, not just in one specific area. You had to begin to do that. I think that's where we began doing some studies. The Highway Department, with some help, did some studies of their needs and came up with a massive program, something like a twenty-year plan, for what they needed, both in the urban--that was the major metropolitan--areas and the rest of the state. The surprising thing was it was just about even in dollar costs for those two. Education had been doing studies. Different ones had.

We took a look at tourism as a potential and brought in a consulting group. I think we may have talked about that earlier. They did an overall study of South Carolina and its tourist potential, and that told us what we had, what we were doing, but what I was interested in was our potential. That tied right into your transportation, highways and airports and all of that sort of stuff, more opening up of air travel into and out of the state. We then, you know, really were right up to the point of "What do we have to do, and how do we do it?" and then that old bugaboo that had been haunting us, "We can't afford it." That's where we really got together and decided that what we wanted to do was bring Moody's in. That's the rating bureau that had given us the triple A credit rating that has stayed with us. They had formed a new service, and I think we were the first state that they took on. They undertook a study of the state needs, of its resources, and then its abilities to take care of those needs. That became sort of a format, a master plan, you call it--I don't know the word--but the format for a comprehensive approach to South Carolina and its needs.

CBG: Was there a bottom line which you could measure to have some sense of what you were doing, what you were accomplishing, or did you depend on information flowing back to you in conversation?

REM: Well, that was one of reasons I worked so hard to try to get people at the staff level who were top-level people, who could really implement what you were trying to accomplish, and who were the kind of people the department heads would work with, that they themselves respected and would cooperate with as a part of making the whole thing grow. We had different staff people who had various areas, activities, that they were responsible for coordinating, and they followed through. They were there. They made sure that those interagency groups worked, and I got direct feedback from them. Anytime there was a breakdown and they felt it necessary, we'd get the whole group back in, in addition to the regular meetings that we had scheduled as we went along. So, yes, we had that kind of free flow. I spent an awful lot of time meeting with those people, discussing with them, listening to them, and sort of giving them my thoughts on what we ought to do first and maybe how we ought to approach a certain problem.

END OF SIDE ONE

SIDE TWO

CBG: This is Tape 12, Side 2, an interview with Governor Robert E. McNair as a part of the McNair Oral History Project. Today's date is November 15, 1982. Governor McNair, in talking with these various groups, did you get down with each one in offering your thoughts on specific policies which they were proposing, or were you giving more of a pep talk and encouragement?

REM: Well, no, I think we got into detail, into perhaps more detail than a lot of them hoped for . . .

CBG: (chuckles)

REM: . . . or expected or wanted sometimes. I recall saying after the six years were up that I thought a lot of them were glad to see me leave, that I'd quit being governor and gone to meddling too much.

CBG: Yes.

REM: I'd learned too much, and I had started meddling in their affairs because I'd been there long enough to get into the details of programs. Although I've never been a specific detail person, I do want to get involved enough to know in some detail what is being done so we don't get lost just trying to go out and find out what we wanted to accomplish. So, yes, I got involved and spent an awful lot of time.

CBG: Isn't there something to the fact that you as governor sitting in, say, a national meeting with congressmen and senators could have a sense of what a program was supposed to be and see that being lost somehow as it was implemented at a field level in South Carolina?

REM: Well, this was true even before all of that. Pat Smith and I spent a lot of time talking about it. Pat was the budget director for the Budget and Control Board, and he had had an unusual background, having worked in the auditor's office for his uncle. Then when we created the Educational Finance Commission in the early fifties with the sales tax to go out and develop physical facilities for the schools in South Carolina, he had gone over there and worked under Dr. [Ryan] Crow and had had an insight into the real educational needs of the state. Then he came back to Budget and Control Board. So he had had that unusual experience and was always concerned about the very thing you're talking about, the lack of any system to monitor what was going on and to be sure that, when you developed a program and funded a program, you were accomplishing what you intended to accomplish.

That was the big fear on the part of Congress, and that was the reason why Congress was so resistant to block grants or anything other than categorical, specific things. They didn't trust state governments and local governments to deal with the problems. That created a lot of difficulty because you had to first battle a suspicion on the part of the Congress, a lack of confidence on their part, and then you had the problem of implementing and dealing with the local folks who'd been running programs so long that didn't want to change and didn't want interference. So you really had to do what we said. You had to make the state the central partner in all of this if you were going to get anything done. Rather than considering this interference on the part of the federal government, we took it as an opportunity to move the state government into that focal point again, into that position we thought it ought to occupy by being the central partner in all of this system. If we moved and if we did it, if we took it on and really got aggressive and became the planner, we could develop a plan, by planning we could develop the programs, and we figured how we could utilize federal, state, and local resources to make it work so that we would be putting the state back where it ought to be.

Prior to that, there'd been a lot of thought in Washington that the state governments were obstacles in the way of getting things done. That was probably true to some extent. There were evidences, certainly, to where that was true, and there were some who felt that the barriers ought to be torn down. I remember Sargeant Shriver getting himself in deep trouble by almost advocating the elimination of state governments and things of that nature.

CBG: Was this one reason for the development of Research and Statistical Services, to have an authoritative and credible voice?

REM: Right, to be able to speak and to address the questions and all. The federal government had all those resources available to them, and they were constantly coming at us with statistics and all kinds of things like that, and, you know, states really had very little. I remember trying, when we were talking about a total program that picked South Carolina up, to get a profile of the state. I thought the best way to get it was, if we had an information system, a computer system, to just get a printout, a profile on the people, what they were doing, what educational level did they have, finish the seventh grade or the ninth grade or the twelfth grade or the two years of college or what, you know, married, children--if we could get something like the Census Bureau had but get it in a way that it meant something to us. That was the reason we started through education getting them altogether and saying that we need to develop an information system. I did it where I knew I could get support because we needed it for industrial development. The State Development Board ought to be able to go into Horry County and give prospective industry a computer printout of everything that was there. Then they could look and see what was there, the numbers and where they were and what they were doing and what they were earning and determine just whether we could fill their needs or not and what the wage level would have to be to get those kinds of people, what the training needs would be to get them up to a level that we would meet those needs. So we started doing that. That's where Jesse Coles emerged in the State Department of Education as the coordinator, trying to develop something like that. That was just a minor little part of it, but we just didn't have it.

CBG: Was this the kind of thing that would allow for, not only the case of industrial development, but in the bigger sense of economic development, a needs analysis so that programs could be . . .



REM: This was what we were looking for, and I think I said we did it, we said, for industrial, but that was the way we could get support for it because everybody knew we had to have that. Yes, it helped to do the bigger need. You know, we began to find out we had this substantial number of people out there who'd finished the eighth grade but not the twelfth grade. At that time, the federal government had come with its basic literacy program, but it only went through the eighth grade. That's as far as it went. So we saw a great opportunity to introduce a lot of people into the labor market almost instantaneously and immediately by, at the state level and with state monies extending that program through grade twelve. So we did it, and not just in the areas where they could afford it. We did it as a state project and extended it to every area, every school district in South Carolina. You know, the results of that were tremendous because we just added a lot of people to the labor market by our putting this literacy out through grade twelve.

CBG: Was this the impact--just to step back for a second--of the perspective brought by a more national orientation through consultation with federal officials and people like Moody's?

REM: No question about it.

CBG: Did it change the way of thinking?

REM: Yes. There was so much going on then. My attitude was the more I could get involved the more I could find out myself, the more I could learn, the more my staff got involved, the better it was. Thus, we were always very anxious to have one of our staff people involved at the national level in those things right there where it was taking place. We were fortunate enough to have [Robert L.] Bob Alexander and [James S.] Jim Konduros, who had had a Washington background and who were not suspect up there because they'd worked for someone who was known as a liberal Southern

senator. They were sought out, and they were always involved in the beginnings of things and in discussion.

CBG: What role did the development of the substate regions have in all of this mix?

REM: It had some good effects. I would not want anybody to think that ever worked like we wanted it to because it did not, but they did bring people together. They brought counties and cities and rural districts together to sit down around the table and talk about needs. It caused an awful lot of program development beyond just the little town level into a broader way. I think it still, in many areas, works quite well. They work together on many needs that are broader than just police protection or something like that. There is lot of water and sewer and waste disposal. There was a lot of transportation planning done. Vocational schools to serve districts or multi-schools, things of that nature, really were stimulated by those multi-county regions or by those planning districts.

CBG: Your governorship was one of the first in the nation to move in this direction, wasn't it?

REM: I think we were one of the five that moved into this and got designated as sort of the forerunner. Therefore, as a result of that, we got demonstration money and we got a lot of money that we would not have probably gotten without competing, had we not been sort of a model at that time.

CBG: If we move a little, say, to the fiscal discussion, how could a state like South Carolina, which wasn't able to afford its own initiatives in the past, how could South Carolina afford to participate with the requirements for matching monies? Did this present a problem?

REM: It did. As we got deeper, I think we turned it around from what you said to where we reached a point where we couldn't afford not to

participate. That's sort of the attitude we took, "We can't afford not to do these things." Again, we were able to get a tremendous amount of demonstration money. That was the money that required no local participation, and we did a lot of it through in-kind. We'd do a lot of in-kind work and qualify, but so much of it came from--well, the whole law enforcement criminal justice training center. That came because we were out-front, and we were one of the first states to pull everybody together into a statewide, comprehensive approach to criminal justice training. When we did that, we qualified for a demonstration grant. We didn't have to put up anything. We did Hickory Knob State Park, for instance. I don't know where Bob Alexander came up with the concept, but he came up with the concept of developing something up there like that as an economic stimulus to McCormick County. That area was just as depressed as Jasper County and all of those down in the lower part of the state. He qualified it as a demonstration project, and we got 100 percent of the cost of Hickory Knob as a model that unfortunately never really unfolded statewide. The Williamsburg County Manpower Training Center--we took that county as being one of the most depressed counties in America. Everybody had visited it, and it had gotten a lot of publicity by being one of the poorest counties in the country. So we said, let's pull everybody together and see what we can do for them. We couldn't put a technical center there. That's the one place where we've got vocational education, technical education, and vocational rehabilitation. We've got every agency conceivable together and came up with the idea to build a center there, a model, and it qualified, and again we got demonstration grant money for that. My feeling was, if we can do that and do one, it'll serve as a model for the rest of the state. Unfortunately it did not. But I think we got some by-products from it. I think we saw what could be done, and thus we saw more of the rural counties

take a new look at vocational education and begin to build these nice big vocational centers to serve many schools rather than everybody having to have their own little wing or their own little shop room, as we had in the past.

CBG: Was the lack of program money one reason that these demonstration projects didn't unfold around the state?

REM: I think that. In a lot of them the ideas changed. We probably decided we could accomplish it in another way through existing programs, but the big thing from those was it got people really working together, and it accomplished something. You broke the barrier of just sitting around the table and talking about it. You did it, they saw it could work and would work if they got together.

CBG: If it had been available, would general federal revenue sharing have made a difference fiscally at this time?

REM: It would have. We, as governors, debated, and surprisingly we didn't rush out and support revenue sharing so strongly at that time. Part of it was political (chuckles) I think, on our part. We would have liked to have had it, but we recognized that the Congress wasn't about to open the door, and let us get both hands in the cookie jar, as they said. They still had that suspicion about states and whether we would do the right thing, whether we'd carry out the purpose. We supported the block grant approach. We said give us money for education, give us money for health care, give us money for these things, but let us determine what we need in education. Where we needed preschool, many states already had all the kindergarten and preschool right on down to the age three levels. So they didn't need that. We thought we needed more flexibility, and we kept battling for flexibility. We began to get some and get a little bit of room to maneuver. President [Lyndon] Johnson, you know, through some of his

executive orders, actually gave us room to plan comprehensively and to put that money in there. We shifted a lot. If we could get them to sit down and plan at the state level, we said, "Here's money for that. Let's use their money for that, and shift our money over to do something else we need." People began to be creative and innovative, and I think it made people at the state level really start thinking and made them begin to recognize that by planning comprehensively they could accomplish something. Thus it sort of got away from that resistance to something like that.

CBG: Did the argument come up from the state level in the general revenue sharing debates of not creating a dependence on federal funding that might be interrupted in such things as the OEO [Office of Economic Opportunity] program?

REM: There was a combination of things, yes. That was one. That was a fear that we could get into these things and gear up to it, and then they could cut it off. We see evidence of that now. We felt also and we talked and we all supported it at the National Governors' Conference level that the federal government should get out of some areas of activity and take on more of others that were more federal in nature, more national in nature. I recall Governor [Nelson] Rockefeller and a group of us who were on the Human Resources Committee of the National Governors' Conference kept pushing very hard for the federal government to take over welfare and get out of education, not simply to get them out, but we could see what was coming. We said, "You've written the policy and the guidelines and told us what we've got to do, and you've mandated us to come up with our share, and you're telling us where we have to put our priorities rather than let us determine where we put our priorities. So why don't you just take it over? You fund it, and then let us use the money that we're putting there for education, and let education be what it's supposed to be, primarily a

function of state government, and let welfare be the responsibility of the federal government, since you want to mandate a national level, and you want all these things done the same in New York City and in South Carolina.

CBG: Was this part of the thinking for the national development of the Office of Economic Opportunity . . .

REM: Yes.

CBG: . . . to encourage states?

REM: That was, and, unfortunately, that program really never got off the ground as far as accomplishing what its purpose was. If there ever was a good program, you know, one with every good reason behind it, it was that one. If there ever was one screwed up and messed up in the implementation, it was that one. I suppose if you ever wrote a book on how to have the finest intention in the world and how to mess it up, you'd write about OEO. I frankly go back--and I've always said it, and I've said it to him, so I don't say it without having said it privately and publicly--Sarge Shriver just destroyed OEO. If there had been somebody in there--and my feeling was a former governor or somebody who had been at the state level or at the local level who understood what you were trying to do, who understood the people, who understood them, who'd been around, who really knew what it took to motivate them, it would have been the finest program that had ever come in this country.

CBG: Did he just come on too strong, too insensitively?

REM: He was absolutely miscast. He didn't understand the people, in the first place, that he was trying to help, and he was suspicious of everybody at any level below the federal level, and he wouldn't trust you. He had absolute, total distrust, and, therefore, as you recall, he started setting up these totally separate agencies, totally separate, monstrous boards, and all of these things. None of them ever really worked, none of them ever

really functioned because he just didn't trust anybody. If you were a part of government, you were suspect. And he had the concept that he could take the basic illiterate--like we had the concept that we could take the Vietnamese--and take them and make them like us. He had the idea that he could take that basic illiterate and put him on the board to determine his programs and govern it and that he could play government with him and play how you do these things with him and, as a result of that, he could make it. He didn't understand that it just couldn't work that way, and he didn't understand that there were people out in the areas who really wanted to help, wanted to do, and wanted to make do. Where they got those, where that was able to work, it worked beautifully. I recall we tried. We were developing the manpower training program and trying to get at basic literacy and trying to do all these things. Wade Martin came up with what we called T-Square, a training program. We put it together and showed where we could take the resources available, the funds available, and get at the whole problem if we could run it through our existing programs that we had in place and ready to go. We couldn't get it approved. We rewrote it probably some twenty plus times and ended up with a board of people a hundred and some people and still didn't satisfy him that we had adequate representation on the board. We finally just had to let the program die.

CBG: Did those boards . . .

REM: That was just an illustration.

CBG: Yes. Did those boards require a majority citizen participation?

REM: Yes.

CBG: And even those citizens had to be almost like a quota, a sample of . . .

REM: It was directly on the quota basis with him, and, you know, you couldn't argue against it because, if you did, people thought you were anti.

CBG: Going back to the old ways.

REM: Old ways.

CBG: Yes.

REM: But I think Shriver frustrated everybody so and, really, in his own efforts to be a do-gooder just thwarted the opportunity that was there to do the greatest things in the world, and President Johnson would agree with you in the end. I mean he would agree with you that the guy just couldn't do it.

CBG: Was the end result in South Carolina a loss of revenue and a loss of momentum and a loss of a lot of . . .

REM: And a waste of millions and millions and millions of dollars, just a waste of money when you looked at the end. It accomplished absolutely nothing. You created more frustration than you solved. There were a lot of things that were little. We looked at some of the manpower programs, and, again, for the same reason the Labor Department, since it had to sign off, mandated that you had to pay the minimum wage for people in training. My thinking was--and I went up personally on occasions and talked to the secretary to try to get him to understand that we weren't being inhuman, but we were trying to get across to them that you couldn't motivate people if you paid them more to go to school than they could get when they got through school and got on the job, that we were dealing with people who were motivated only when they could do better. If you took them from zero and gave them a dollar an hour to go to school to get them there, to get them in training and if they got through, they made two dollars an hour, you motivated that person and somebody else then to come go and get better,



and if by the time you got through the training program you made three dollars an hour, that was great motivation. But if you made three dollars an hour to go to school and a dollar an hour to go to work, . . .

CBG: There's no need to go to work at that rate.

REM: There was a frustration, and they couldn't understand it. I mean, your motivation was gone. We had all of those kinds of problems of cutting through the barriers to get them to understand that we really wanted to do it. We thought we knew how to do it, but we couldn't do it when our hands were tied like that. I recall one of our studies said we had a tremendous need for hospital orderlies and janitors one time, and they came into me with a great need for it. I got in with the TEC people who were coordinating that and said, "Let's do something about it." Well, we quickly found out two things. Number one is, those are not people that you move from one area to the other. Now, you can move an engineer. He'll go to California for a better job. You can move a high school graduate most of the time, but you couldn't move those people from Allendale to Barnwell for a job, let alone from Allendale to Rock Hill or to Greenville. That was the first thing we discovered. You wouldn't move those kind of people. And secondly is that if they got three dollars or two dollars and a half or whatever it was, to use an illustration, if they got that to go to school for training and went to work in the hospital at a dollar an hour they quit after the first paycheck because they looked at that, and most of them didn't understand. "You're not paying me as much as I got to go to school." These are the people who never had a job, never worked, just been walking the streets, living on their mamas or daddies welfare check whom you tried to get in and do something for. If you could have paid them, you know, a little bit to go to school and then more when they went on the job, you'd probably have salvaged a lot of those people and motivated them to go

on and go back to school and do better, get a better job. But it was to me a psychological type of thing.

CBG: Did the industry programs have many of the same problems?

REM: Well, that's the reason, yes, they did. They had a lot of the same problems, and, therefore, we had to figure ways of getting around that with the various training programs. You got nothing, no salary, to go to school in the state programs where we would recruit and train at no cost to industry. You got nothing to go to school, but when you got through you got a good job. You immediately started making a better wage than you made before. Now those people were already working. They had been working at a low level, below their abilities, so it wasn't as difficult to get them motivated to go. But in the apprenticeship program you had that problem, and we worked closely with the AFL-CIO groups, Sinway Young, who most people don't realize really was a good citizen who worked hard and worked with the State Department of Labor in that program. He worked with TEC and cooperated with TEC. They ran it separately but again, you were dealing with poor people who had a job that would get a trade and earn more. It wasn't as difficult, but what we were trying to do with the OEO program and with a lot of the federal programs was to reach below that level. We were trying to get to the unemployed and the unemployable.

END OF TAPE